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Wine industry asks Govt to put bung on imports

by Warren Berryman

THE booming New Zealand wine industry is pressing Government for an even greater protection against imported wines.

The requested protectionist measures are aimed primarily against Australian wine producers.

The major justification for increased defence centres on the price differential between Australian wines and New Zealand wines having been closed over the past four years.

Rather than reduce their prices, the New Zealand wine industry wants Government to re-establish past price differentials by jacking up imported wine prices with increased tariff protection.

In addition, it wants the taxing system changed to improve wine's competitive advantage over beer and spirit sales.

In return for this protection, the wine industry claims it can save $82 million in foreign exchange and increase wine exports to $5 million a year by 1986.

The call for protection came in a recently released industry study and development plan prepared by the Wine Institute of New Zealand.

The Wine Institute is a national organisation to which all grape winemakers are obliged to belong and pay a levy.

Because the grape growers are protected against competing imports of grapes or grape juice concentrate there are no market forces to hold grape prices down. Grape price increases to the winemaker can be passed on to the domestic consumer in increased wine prices due to price competition from imported wines.

This year's grape harvest produced poor quality grapes because of the heavy rain late in the season. Much of this year's vintage will be affected.

Thus the winemakers' request for additional protection adds up to a request to Government to force the consumer to buy a poorer quality local wine at escalating prices to the winemaker by denying access to competitively priced imports.

Despite the Institute's plea for more protection, imported wines make up only a small and diminishing share of the total domestic market.

Import licensing does not allow for increased volumes of imports when prices go up. Nor does it allow for increased levels of imports when the total market expands.

TABLE WINE IMPORTS
[as percentages]

ORIGIN	SPARKLING 74/75	75/76	76/77	77/78	STILL TABLE WINE 74/75	75/76	76/77	77/78
France	6.9	6.6	7.2	8.1	14.3	9.2	11.6	9.7
Germany	13.3	8.6	11.3	9.9	19.6	20.5	23.3	22.4
Italy	43.8	53.5	56.6	54.5	4.6	4.5	4.2	4.4
Australia	12.0	14.8	8.7	7.2	37.0	43.0	38.6	38.4
South Africa	18.8	11.7	11.9	14.5	2.2	1.5	1.2	1.9
Spain	4.0	3.3	3.7	4.7	5.6	4.9	5.1	1.9
Others	1.2	1.5	0.6	1.1	16.7	16.4	16.0	21.3

In partial justification of the cost to the consumer that this increased protection will bring the study claims the wine industry will earn more than $5 million a year for wine exports.

The study does not give details on how New Zealand wine can possibly compete in the international market place when it cannot compete in the domestic market in spite of present high duties and import licensing.

New Zealand wine exports were only 0.95 per cent of total sales in 1978 — down from 1.06 per cent in 1976.

By comparison, Australian wines are increasing their share of the New Zealand market. And they are becoming more price competitive here in spite of high trans-Tasman freight, high Australian labour costs, import licensing and duties. (See table above)

The study does not explain how, with these disadvantages, the Australians are so dangerously competitive with local wines here.

Nor does it explain how New Zealand wine exporters will compete with the Australians in their own market, unless one infers from the study that exports are to be heavily subsidised with high prices charged to the local consumer.

The study did ask Government for a long list of fiscal measures, tax breaks and incentives to subsidise the industry's development. If adopted, these measures should have the effect of subsidising the industry by having the tax man dip into the citizen's pocket rather than the citizen directly dipping into his pocket with higher wine prices.

While the study does not explain how New Zealand wines are to become price competitive on the export market it urges bilateral reciprocal trade deals outside a free market system. The sort of deals proposed revolve around the concept that governments and industry lenders — and not consumers — should decide what wines should be drunk.

The target export markets mentioned in the study were Australia and North America.

AUSTRALIAN imports cited as biggest threat to local wine producers — Pages 22 and 23.

Inside:

THE fight to reform the freezing industry is just beginning — and the farmers are winning the first round. John Draper reports from the battle-lines — Page 3.

WHEN Government increased the interest rate on its stock to 13 per cent over Easter weekend, it debased the value of all existing Government stock by hundreds of millions of dollars. Warren Berryman demonstrates the effect of the increases on a selection of existing stocks and looks at the wider ramifications of the move — Page 7.

RADIO Otago — flushed with success and gaining in confidence — is eyeing a much wider audience. Our Christchurch Correspondent looks at the station's future — Page 16.

HARRY Shultz — the $2000-an-hour investment consultant — NBR interviewed him in Auckland on how he saw New Zealand as an investment opportunity — Pages 18-19.

[illegible] says housing policies which put the building industry ahead of buyers' wishes produce disastrous results. —Economics Correspondent — Page 27.

Nationwide stalls on tarmac

by John Draper

NATIONWIDE Air International, grounded for the last two weeks, may never take off again.

Founded by the ebullient Matt Thompson to carry cars across the Cook Strait, the fledgling airline has already survived several crashes. Now stripped of its wings in another turbulent episode, the airline is unlikely to take off as Nationwide Air again.

On May 7 the lease expired on the two Carvair aircraft-converted DC4 s — owned by the Credit Finance Corporation, a subsidiary of the Kuwaiti financed Bank of Credit and Commerce International.

Thompson says the terms offered for renewal would have made the operation uneconomic. "They were demanding far too much," he said.

But the independent freight service concept is not dead. James Aviation, which has been trying to get a stake in freight service, is now negotiating to take over the Carvairs from Credit Finance.

Thompson is not out. "We will be starting again with a bigger brighter service early next month," he said.

Nationwide Air International is being restructured with a capital injection from both inside and outside the country, Thompson said.

When it does take off again it will probably be renamed Skytrain International to get away from the Nationwide bogey which has seen Thompson's other business interests put into receivership.

Mechanical problems as well as the more common liquidity crisis grounded the airline this time round. One plane needs a lengthy and expensive 1000 hour overhaul before its air worthiness certificate is renewed and the other is in need of a new engine.

When flying ceased, the weekly cash flow from Nationwide Transport (Autos) Ltd, the airline's lifeblood, quickly dried up. In addition, the Ministry of Transport added to Nationwide Air's cash problems by refusing to pay $50,000 by way of fuel tax rebate. All licensed operators of piston engines aircraft qualify for the rebate but the Ministry claims Nationwide is not operating on an air service licence.

The company is refusing to say what aircraft it will be flying when it is relaunched, though pilots are being retrained in Wellington. An option on three Carvairs owned by British Air Ferries was lost when the planes were sold to America. A French owned Carvair on the market at the same time may be under consideration.

The second aircraft Nationwide hopes to acquire is unlikely to be able to transport cars and will be for the thriving freight service Nationwide has built up between Wellington, Christchurch and Auckland.

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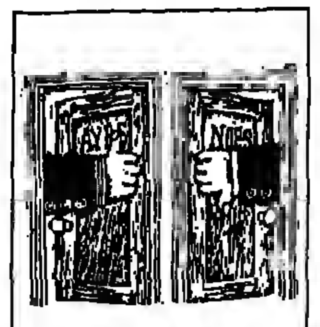
Parliament: more for show than for effect

by Colin James



POLITICS

THE point-of-order brigade is back in business this week. With his usual solicitous concern for others, the Prime Minister has once more chose Labour Party conference week for the opening of Parliament.

Parliament. The very mention of the word is enough to send most readers on to page three at once.

Long-winded, irrelevant, stage-managed rubber stamp for the Government, a place where the seats are genuine leather-bound and the food and drink cut-price, an agreeable club, whose members go through the formalities of debate.

Parliament the institution and the incumbents of those green leather benches are in low repute.

The fashionable view is that Parliament is just a rather oddball way of choosing a government among groups offered by various coalitions.

If governments were chosen by other means, parliamentary elections would not attract anything like the four-fifths-plus turnout of last November.

Parliament has become, in the terminology of the greatest constitutional commentator of last century, Walter Bagehot, a "dignified", rather than an "efficient" part of the constitution.

In plain words, it is more for show than for effect.

Nevertheless, its "dignified" role serves a purpose. It is, for example, a focus of protest.

The Wellington Trades Council unions are proposing to use it in that way with a march over the Hill on Thursday, when another "dignified" part of the constitution, Sir Keith Holyoake, turns up to get the show moving.

Since everybody knows that the march will have no practical effect on workers' living conditions, but that if enough take part it will demonstrate workers' concern about their conditions, it is an example of a "dignified" act by an organisation on the occasion of one of the more "dignified" days in the calendar of a "dignified" institution.

In plain words, the workers will be entering into the spirit of things. A demonstration is for show, not effect.

Parliament's dignified role serves other purposes. A notable one is a symbol of the rule of law, a rather tattered symbol but one nonetheless.

What has been dignified with Parliament's imprimatur can be contravened only at the risk of sanctions by the courts.

The rule applies to every Act of Parliament — even the muddled and the unfair, even the Contraception, Sterilisation and Abortion Act. It also applies to everyone — even MPs who disagree with its decisions.

Marilyn Waring is not an orthodox MP.

She has been orthodoxly treading down the leader's line in public in her rule as chairman of the Government economics caucus committee.

But in other ways she has not behaved like other MPs. Frustrated by the poor backup services provided to MPs, she has appointed her own research assistant, paid out of her own pocket.

She is also given to occasional irreverent allusions to the leadership. And though this is an exception to her general behaviour, in the case of the abortion legislation with which she disagrees, she has been prepared to, in effect, encourage women to contravene it.

Tut tut. The "dignified" nature of the institution requires that its members observe the rules or its status will be in jeopardy.

The other women MPs recognised this. They sympathised with Waring's emotional concern with the plight of pregnant women denied abortions, but thought it better to seek redress through the approved channel for MPs: an amending bill.

It would be interesting to see what the new Parliament, with 22 members who were not in the last Parliament and a safe distance to the next election, would make of an amending bill, given the inch-by-inch liberalisation of its attitude between 1975 and 1978.

But in practical terms, it would be as much use to the pregnant women as a bath full of gin. Waring is rightly contemptuous of substantial change by legislation.

Waring's advice to women to learn self-administered menstrual extraction may have been reprehensible in the sense that we have grown used to expecting law-givers also to be law-upholders. That principle has been fought for since the Magna Carta and is not to be given up lightly (in my view not to be given up at all).

But her outburst at least recognised the difference between "efficient", or effective, and "dignified", or ineffective, political behaviour.

It raises hope that her chairmanship of the public expenditure committee may restore a little of Parliament's lost importance.

Control of public expenditure is of central constitutional importance. In the broadest sense it involves considerations of the relative powers of the Cabinet and the bureaucracy it is supposed to control, the sources of administrative policy, accountability of the spenders to the providers and the possible emergence of anti-tax movements.

It is too early yet to judge whether more can be expected of the committee in this Parliament.

There are, however, encouraging signs. Last week Waring had committee members trudging through alleged accommodation problem spots in civil service quarters in Wellington.

There has also been an unusually high level of sub-committee activity. Sub-committee inquiries into aspects of Government administration are the cutting edge of the committee's activity. Waring has vowed to use them to the full and seems to be getting co-operation, especially from the minded new members such as Labour's Ann Hercus (Lyttelton) and National's Ian McLean (Tarawera).

Parliamentary privilege requires silence for the moment on what they are looking into. When they report, one measure of their effectiveness will be whether they say much about charging out trading department activities, recommended by the Audit Office last year.

Another encouraging sign for the new Parliament has been the willingness of Barry Brill's statutes revision committee, on the prompting of Labour's irrepressible Richard Prebble, to examine the Government's petrol saving regulations.

It has become commonly assumed that anything can be regulated in the name of economic stabilisation, resting on the sweeping powers granted by the first Labour Government's Economic Stabilisation Act.

It is too much to hope that any government might curtail those powers, as the National Party in pre-Muldoon days once said it would do.

So any chipping away at executive omnipotence by the statutes revision committee is an interesting development.

One such case was in [illegible] when some crayfishermen contested regulations under the Fisheries Act banning handpicking of crayfish. The statutes revision committee upheld their complaint that the regulations "trespassed unduly on personal rights and liberties" and the Government changed the regulations.

The petrol saving regulations are being challenged on the "rights and liberties" ground and another criterion that they appear "to make some unusual or unexpected use of the powers conferred by the statute" under which they were made, in this case the Economic Stabilisation Act.

Brill's committee's decision to hear the challenge is in the best parliamentary tradition.

MARILYN WARING...steps away from mould.

There is a tendency for select committees to become set-piece forums for the taking of party positions previously decided by caucus committees — the effective debate therefore taking place in the caucus committee of the governing party.

Given this, shows of independence are important if Parliament is to be rehabilitated or if the ideal of popular control of the executive is to be carried through whatever eventually replaces Parliament.

Certainly, they are worth a great deal more than the periodic standing orders committees' tinkerings with the way Parliament runs itself.

There is one such committee sitting now (secretly behind the barriers of privilege). Judging by past achievements, it is a fair bet that molehills, not mountains, will be the order of the day when it reports.

Outsiders are reviewing aspects of parliamentary elections. A Justice Department committee and a committee of inquiry under Sir James Wicks are looking at what went wrong with the electoral rolls.

The Wicks committee is also looking into the administration of the Electoral Act and the handling of special votes and should begin considering submissions this month.

The Electoral Court has before it, in the Hunua and Kapiti election petitions, questions of voting practice and procedure with far reaching implications.

If voting is to remain a popular pastime, if Parliament is to hold what prestige it still has, a lot depends on these various agents of inquiry coming up with sensible suggestions and Parliament acting on them.

No Parliament can relish opening, as this one does this week, under the shadow of public disillusion about the mechanics of electing it. And no democracy worthy of the name can afford a Parliament under such a shadow.

Farmers chalk up points

by John Draper

FARMERS exercising their political clout are winning the first round in the fight to reform the freezing industry.

Submissions prepared by Federated Farmers are being used as a basis for a draft bill ordered by Agriculture Minister Duncan MacIntyre.

But the fight is just beginning. Freezing companies are saving their main efforts for the select committee stages that the bill will reach, probably later this year.

Delicensing, the emotional bogey, has been quickly knocked down.

Both Federated Farmers and the Meat Board are pressing for reform of an industry which they claim has sheltered for too long in a protected enclave.

The result, they maintain, is a cost-plus mentality and a reluctance to modernise.

Most freezing works — and their manning levels — date back to the 1920s or earlier.

Automation is being introduced only slowly and frequently is thwarted by union resistance to labour cuts.

The Meat Board wants an investigation into the freezing industry to find out what is holding up greater automation and the increased efficiency that should result.

Board sources say that without greater efficiency all the way from producer to consumer, New Zealand is in danger of pricing itself out of world markets.

Pre-packaged processed meat exports have already been ruled out as too expensive for consumers in Europe and North America, because of high local labour costs.

Strikes and the resultant disruption of the killing season are identified by farmers as the major constraint to increasing stock numbers.

Through their own "union" Federated Farmers, they are advocating three amendments to the Meat Act.

- Most important is an easier passage for would-be new works wanting a licence;
- Provision for farmers to be consulted by the Meat Industry Authority on the freezing industry;
- The Meat Industry Authority be charged with maintaining a competitive element within the industry.

Pressure for the changes has built up mainly in Hawke's Bay, where two applications for new works have been considered by the Meat Industry Authority.

Pacific Freezing (NZ) Ltd was refused permission for a works at Tukapau, near Napier, and the Hawke's Bay Farmers Meat Company bid to build a works near Dannevirke is also expected to be rejected when the authority issues its decision later this year.

Hawke's Bay farmers claim there is not sufficient killing capacity in the region to encourage higher stock levels.

Under the regulations aspiring proprietors of a new works must show there is a need and demand for the capacity which will not damage existing operators.

PETER BLOMFIELD... threat to those already in business.

This provision is likely to be reversed with the onus of proof put on the existing companies to show they would be harmed by another facility.

Farmers also want the authority to consider their opinions. At present farmers' submissions are included only under the catch-all clause of any other interested parties.

Federated Farmers is also pressing for the Meat Industry Authority to be charged with maintaining an element of competition in the freezing industry and closely overseeing monopoly operators.

The freezing industry is firmly opposed to increased competition by opening a multitude of smaller works.

It contends there is already sufficient capacity, though conceding Hawke's Bay might be an exception, as this year's trouble-free season has demonstrated.

Executive director Peter Blomfield says more works will only threaten the economic viability of those already in business.

Large works needed 80 to 90 per cent of the yearly kill at the peak of the season just to cover overheads, he said.

"A proliferation of new smaller works will simply make the larger works uneconomical."

If there is to be a change — and the association claims it is not against increased competition in the longer term — it should be done gradually. The association points out that $114 million has already been spent on fulfilling European and North American hygiene regulations and another $176 is scheduled before 1983.

And it wants the companies to be allowed enough time to recover the costs before embarking on a potential period of fierce competition.

The farming lobby rebuts the argument. Many freezing works were built between 1910-1920 and without substantial modification cannot meet the European hygiene requirements.

European regulations now ban wood as a construction material wherever animals or carcases might come into contact with it at the works. Wooden stockyards would disqualify many works from the European trade on that ground alone.

Sources within the Ministry of Agriculture and Fisheries indicate the draft bill is unlikely to fully satisfy the farming lobby and nor is it likely to satisfy the freezing companies.

The real battle will almost certainly be within the Government caucus as the lobbyists stand back to catch the successes of their labours.

A lengthy select committee stage is also likely when the bill finally gets to Parliament.

Fish industry bureaucrats cold-shoulder cray divers

by Bob Edlin

THE Divers Group — whose members earn their livelihood by diving under licence for crayfish — complain they continue to be cold-shouldered by the bureaucrats who regulate the fishing industry.

The group was set up in response to regulations promulgated in 1976 that would bar them from crayfish diving.

It engaged legal advice and took the issue to the Statutes Revision in 1977 in a unique action which resulted in the regulations being rescinded.

At that hearing, the divers complained about a lack of consultation between them and the Department of Agriculture and Fisheries.

That lack of communication drew adverse comment from the committee, both at the hearing and in its final report to the House recommending revocation of the regulations.

Members of the group — urged to seek future consultation with the officials who formulate advice on fishing policy — agreed they should also make contact with other commercial divers in other parts of New Zealand to learn about their views and problems.

The group tried asking the department for a list of licence-holders. The department declined them the information.

That reluctance to co-operate is now being investigated by the Ombudsman.

But the Divers Group claims to have made other attempts to follow the Statutes Revision Committee's advice to become more involved in the consultations which result in policy formulation.

They say they want to become involved in resource management, licensing criteria and long-term planning, for example.

But they weren't invited to a meeting concerned with these issues early this month.

They say they were not allowed to take part because they are not "representative".

But the group comprises nearly all the commercial crayfish divers in the Wellington region and some from other parts of New Zealand. And it was the only group to question the 1976 attempt to eliminate commercial crayfish diving.

DUNCAN MACINTYRE ... willing to meet divers.

They have been told that a Fishing Industry Board official would be able to carry their views to the authorities who formulate policy. Thus they are expected to have their interests represented by someone who failed to speak up on their behalf when their livelihood was threatened.

The group insists that no official has the authority to represent them in any matter concerned with the formulation of policy that affects their way of life.

Its legal adviser has written to Agriculture Minister MacIntyre, asking that if the decision to exclude them must stand, they want the chance to discuss matters with him.

Foremost among their concerns is "the need to establish clear lines of communication and consultation for the future".

A spokesman in the Minister's office said the letter had arrived too late for reconsideration to be given to allow his attendance at the meeting.

This had been only a one-day industry conference at which there was time to cover only a limited number of problems. Thus representation had been restricted to major industry groups.

But the door to the Minister's office was always open, the spokesman said. And the Minister had indicated a willingness to meet the divers group to talk over their problems.

EDITORIAL

THE Government's economic strategy has been unclear because, as Prime Minister Muldoon pointed out the other day, it doesn't have one. And it doesn't have one, Muldoon insists, because constantly changing developments make even short-term planning impossible.

The Government's broadcasting policy is unclear for different reasons. Essentially, the problem is that we don't know who we should be listening to as a variety of plans and options are publicly bandied about. BCNZ chairman Ian Cross has been busy planning a restructuring while Muldoon has been actively canvassing public reaction to a multitude of options from closing TV2 to selling it off to private enterprise. Thinking out loud, he calls it, although the objective seems not so much to mould Government policy (which is to extend the coverage of TV2, if pre-election statements are any guide) as to intimidate journalists against delving too deeply.

But we are pleased to record that on one issue, we do have the Prime Minister's word for it about just what the Government's policy is . . . sporting contacts with South Africa. At least, we have his word for it about what part of that policy is.

Since the Gleneagles Agreement was drafted, and its signing hailed as a triumph for Muldoonian statesmanship, the question of this country's sporting contacts with South Africa has been as politically vexing. It has been an issue on which the Government's position has been obscured by the sharply conflicting public statements of Foreign Minister Talboys and Maori Affairs Minister Couch. Those members of a bemused public who have looked to the Prime Minister for clarification have been disappointed, and Couch continues to express views which clearly depart from those of a Government committed to maintaining support for principles enshrined in the Gleneagles Agreement.

The most decisive action yet taken on the Government's behalf was the State Services Commission announcement it would not grant leave for civil servants to allow them to play sport in South Africa.

The commission had no alternative, if the Government must be seen to be disapproving sports contact with South Africa by its employees (although other Government employing authorities have indicated they will consider leave applications from state servants wanting to play sport against South Africans).

Immediately after the SSC had released the statement declaring its position on Friday, May 4, two journalists — one from the New Zealand Herald, another from Avon Pacific News — approached State Services Minister Thomson, who said the commission, as the nation's biggest employer, had taken a responsible decision in line with the Gleneagles Agreement. He agreed the ban would not limit travel to South Africa for any purpose by state servants on annual leave but said he hoped they would keep to the agreement.

Couch, in contrast, said he was "a little disappointed".

So what about the Prime Minister? On Monday, May 7, he was quizzed by journalists and said he would have to read Thomson's statement before he commented substantively. But he said he had already made a statement — to whom is a bit of a mystery — to the effect that Thomson gave the views of the Government on the matter.

There was another question: The Government supports it (the SSC) then? But journalists didn't get an answer.

So the Government's position is the way listeners remember hearing it stated by Thomson on Radio Pacific, or — if anyone, is seeking "copy in black and white" — Thomson's words were reported in the Herald on May 5. You can't get it any more definite than that, although skepticism about the Government's degree of committal to Gleneagles is bound to remain so long as there is a maverick Minister breaching all the conventions for collective Ministerial responsibility and a Prime Minister shunning the chances given to him to enunciate an unequivocal viewpoint.

Bob Edlin

FORMER Christchurch mayor Neville Pickering has given away the political game — at least for the time being — to concentrate on games of a different kind.

Since the beginning of the month he has owned and operated a Wellington retailing business, now trading under the name of Couchman Cycle Company (1979) Ltd (formerly Couchman Cycle Co Ltd.)

Just a couple of months ago he was toying with the idea of moving back to Christchurch, where he thought he might go into business. But he was adamant a decision either way would not mean he was getting out of local body politics for good.

Nor was he willing then to discount the possibility of another term in Parliament, should the need for a by-election arise, though he conceded he might be just a bit old to stand for a full term in 1981.

With a new business to run, it looks as if Pickering has ruled out Christchurch for a "come back".

Asked the other day if he intended to run for mayor of Wellington at the next local body elections, he said he was not interested in the mayoralty "at this stage". His priority will be the business — but he is keen to find a seat on the council or the harbour board.

His interest in national politics, on the other hand, is "drifting away".

Retailing cycles and toys might seem a curious line of work for a former big-city mayor and Member of Parliament...but Pickering said he had spent 10 years with Skellerups and after all, it's all retailing.

●

FERGIE McCormick, in his Sunday Times column recently, described Ian Kirkpatrick as "an outstanding forward in South Africa in 1976. He also became something of a hatchet man, using his strength to loosen the odd tooth of a South African forward who persisted in illegal play."

Many rugby players, past and present, will vigorously defend the use of deliberate violence as justified retaliation, as if the general rules of social conduct are automatically suspended on the rugby field.

The question we raise is whether implied approval for this type of sporting behaviour should appear without qualification in a popular weekly magazine whose readers will include young footballers who number Kirky among their heroes . . . someone to be emulated as well as admired.

No newspaper can afford to sublet its responsibilities.

●

IT is encouraging to learn that the journalists have joined up with the Federation of Labour.

We make no criticism of their craft, profession or labour services, but merely note that Federation of Labour's official book of rules states, under "Aims", section f, "to aid in the establishment of full employment, the improvement in working conditions and the raising of the standard of living of the people and of the Dominion".

And we can only wonder: why did they exclude the Evening Post, Truth, the Sunday News, the Sunday Times, the Waikato Times, the Hutt News and the giveaways up and down the coast which all comprise the INL empire, let alone the newspapers that abound elsewhere in the country?

●

BRITAIN's failure to lure away Kiwi oil expertise is raising a smile among the normally tight lipped Petrocorp executives.

Alan Ellis, British National Oil Company's drilling superintendent came down under the other day headhunting for engineers to work in the oil rich North Sea.

But he left with his gamebag empty, unable to tempt anyone, either from Petrocorp or the remaining oil exploration companies.

Last year Ellis was to have joined Petrocorp as drilling chief, but hours before he was due to arrive in New Zealand, a telegram announced that he was joining BNOC.

Touche.

●

ENERGY Minister Birch — questioned the other day about LPG distribution costs — couched his reply in bemusing terms.

"The cost of expert to the South Island was quite high," he said (suggesting that the South was a foreign land) . . . "but we must realise we are one country."

●

HOW well do market researchers do their research on themselves?

An NBR staffer doing his own research into those who are supposed to know what the consumer likes and dislikes is pondering that point.

After reading a history of New Zealand market research by a senior member of one organisation in the business, he telephoned for further information.

Speaking to the historian's colleague about the number of people employed by the handful of major market research organisations, our man found a wide discrepancy.

The history says "with reasonable accuracy" that there are 75 people employed full-time as project staff, field managers etc and another ... support staff. In addition ... are about 1000 ... employed on a part-time ...

But the writer's colleague doubles the estimates.

Maybe we should have ... the disclaimer on the ... first pages little more ... "This history you are about ... get is what I have been able ... find out — it is ... accurate nor complete."

●

KATHLEEN Coleridge, ... Victoria University Library, has raised the alarm ... self-destroying books ... library shelves. In 20 or ... years, all the books print... since about 1850 could self-destruct simultaneously, ... says in the University's New View.

Although the problem of paper deterioration was described as early as 18.. by John Murry in a flax-paper pamphlet recounting the virtues of New Zealand flax, little or nothing has been done to solve it.

Mere modern paper, especially newsprint, ... amongst the worst because they have a high acid content. To slow book deterioration, ... ideal library should be ... dry and dark. If conditions were like that, people may ... want to read the library ... books anyway.

●

SO many Ministers ... overseas, ill or otherwise out of action at the moment ... Derek Quigley has been carrying the burden of ... portfolios.

Thus he was able to ... cocktail audience ... other day that he was ... Minister of this and ... Minister of that and ... Minister of the other thing ... Indeed — as one of the ... observed — he is doing so much acting he should qualify for an Oscar.

●

CSR, the Australian partner ... the proposed Nelson-based mechanical pulp mill, is a newcomer to the New Zealand timber industry scene.

The company owns ... cent of the shares to Fletchers; and because Fletchers owns about 46 per cent of Tasman Pulp and Paper, CSR has a fair-sized stake in the tree business.

CSR representatives have already expressed a desire to move into other forestry-related areas.

●

IF you think all this restructuring at the Broadcasting Corporation is the only way to effect cost-savings . . . well, forgive us for being skeptical.

We suspect that cost-cuttings and rationalisation can be achieved under the present structure. It's all a matter of good management.

To lend support to our thinking, we espied a TV2 news executive the other day — driving a TV1 van.

●

THE Prime Minister vowed to immediately deregister any union that took strike action over the Inland Revenue Department's decision to take its whack from travel allowances. But the vow failed to deter the Air New Zealand engineers. And lo and behold, the engineers were not de-registered.

And so in conversation with a certain under-secretary with interests in the Labour portfolio, somebody asked: How does the Prime Minister spell the words "decisive action"?

A Parliamentary reporter had the answer: "defer".

The under-secretary was gracious enough to laugh appropriately at what he no doubt thought was a joke.

●

Somehow a New Zealand Herald-NRB (National Research Bureau) poll result must have been communicated to Radio New Zealand news staff as a New Zealand Herald-NBR poll . . . and in a broadcast the other morning, they described it as a New Zealand Herald-National Business Review poll.

We were flattered? Not quite. If we are to work in tandem with the Herald, it will be our name that comes first in the joint name . . .

●

DATELINE Monday viewers were treated last week to the spectacle of truckloads of apples being driven to the blackmarket at dark of night as growers try to beat the Apple and Pear Board's monopoly powers... and prices.

The board had the chance to release its grip on the domestic market when the market research it commissioned concluded by recommending that greater competition was desirable on the home front.

The board rejected that advice and even tighter controls were introduced in new legislation.

But it's good to see some producer boards recognise the advantages of the private entrepreneurial spirit.

We have already reported on the new philosophy prevailing in the Honey Marketing Authority (NBR April 18).

And after years of discussion, the Citrus Marketing Authority has joined the club and has asked Agriculture Minister MacIntyre to remove the authority's compulsory power to acquire all lemons and sweet oranges.

●

BEFORE addressing the Housing Commission seminar, it seems that Reserve Bank Governor Ray White was curious about which part of his speech would be televised. Thus he established that the TV2 newsman was interested in his ideas about tax relief for lenders.

But when he delivered his speech, that bit was omitted...a fact that was obvious to all present, because they were provided in advance with copies of the address.

So when questions from the floor were called for, the cameras began rolling while the TV2 journalist asked about the bit that White had skipped.

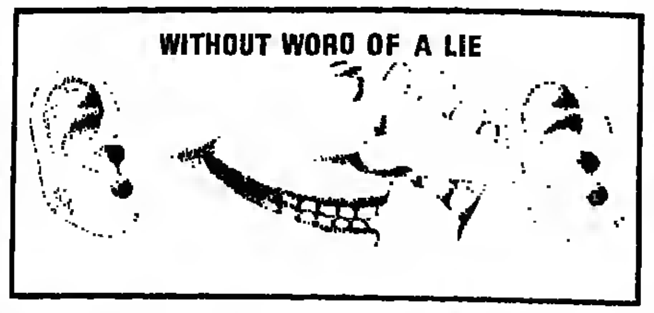
White seemed taken aback and asked for the question to be repeated. It was, and he replied that it was purely a matter of time that influenced him to drop his call for tax relief for lenders of housing finance.

The TV journalist reminded White that he had asked before the speech which piece would be filmed...so why drop the bit that he had been told would make the TV news. White reiterated his earlier answer.

He then went over to the journalist to say he thought it worth delivering the missing bit of the speech. So he got the approval of the chairman, then delivered the missing segment.

It was a curious episode...and the cameras seemed to have captured all of the exchange between journalist and top civil servant.

But the public wasn't able to share in the fun — the TV news item which resulted had its omissions, too — and there was nothing to show White being challenged from the floor.



WITHOUT WORD OF A LIE

BROCKIE'S VIEW

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Brand new Bounty: all decked out but stardom may pass her by

by Helen Vause

BACK in December, the good ship Bounty was launched in Whangarei amid pomp and ceremony and in the presence of Prime Minister Muldoon.

At that stage few of her wellwishers knew that the finance had fallen through for the two movies the replica was built to star in. First Warner brothers pulled out, then the Dino de Laurentiis Corporation. And now it looks like United Artists are not keen to back movie maker David Lean either.

The Bounty looks due for a long and not very glamorous lay up at Whangarei wharf.

Lean, who made Dr Zhivago, Lawrence of Arabia, Bridge Over the River Kwai and Ryan's Daughter, is still in Los Angeles negotiating for the $40 million needed to back the film.

The Bounty is all but ready for delivery. Trouble is, there's nowhere to send her. She is still reluctantly owned by the de Laurentiis Corporation which no longer has any interest in backing the Lean films.

The corporation tried to have the building work stopped in September last year but was forced under its terms of contract with Whangarei Engineering to carry on.

Plans for the $2.5 million Bounty to mark time at Opua Wharf, in the Bay of Islands, have also fallen through because the wharf had inadequate facilities. Wharfage fees in Whangarei are mounting up on the de Laurentiis bill.

Whangarei Engineering manager Bruce Lovie is disappointed that she won't be laid up in Opua. He admits he would have liked the Bounty "out of sight and out of mind".

But Jock McGuire, the Bounty's building supervisor and the film corporations' local representative, is still optimistic about the future of his 'baby'.

He says Columbia Warner has asked to charter the Bounty for a filming sequence. He has also been approached by a London-based descendant of Fletcher Christian, Glynn Christian. With backing by Time-Life magazine and other major publishers, Christian is also interested in chartering the Bounty.

"Its not up to us to take up these offers," says McGuire. "But it does seem there could be plenty of charter work available." He estimates she'd cost about $2000 per day to charter.

McGuire has another scheme in mind too. He's been following a Dargaville project to restore an old sailing ship to carry timber from the islands.

"I reckon we could carry 600 tonnes of hardwood at a very competitive price."

But wouldn't that mean putting his baby in the hands of the Seamans Union?

"Over my dead body," says McGuire.

Key indicators

		Current Period	Previous Year	Per cent Change
Consumers Price Index - all groups base Dec 1977 - 1000	March 78	1120	1020	+10.00
Building Permits Issued	Dec 78	$100.4m	$84.0m	+20.00
Official Overseas Reserves	Dec 78 yr	$1072.7m	$1161.8m	-8.00
Registered Unemployed — incl those on special work schemes	March 79	$812.0m	$953.6m	-17.00
NZUO Share Price Index	April 79	51,768	35,096	+48.00
Reserve Bank Share Price Index	10 May 79	851.13	818.61	+6.00
	9 May 79	1411	1322	+7.00

Interest juggling knocks long-term confidence

by Warren Berryman

GOVERNMENT'S Easter fundraising coup will hit hardest where the level of financial sophistication is lowest.

A pensioner who bought $10,000 worth of 18-year Government stock in 1974 at a coupon rate of 6 per cent would get only $5700 for this $10,000 worth of stock if he sold up today.

Just this one issue of Government stock maturing in 1992 amounted to $8.5 million. The current value of this stock has now been debased by increased interest rates to $4.8 million.

Shrewd money men certainly didn't get caught holding much long-term, low-yield Government stock.

Major dealers value their portfolio of stocks at current market value — not at cost — when doing their accounts.

But most companies holding Government stock value it at cost. In a sense this is valid, because the stock, at maturity date, will yield its face value.

But valuing stock in this manner does not tell management or shareholders what their company's assets would be worth if cashed up today. Nor does it provide a clear picture of the company's yield on total assets.

For example, an insurance company's yield on assets would look much better if the Government stock were valued at face value rather than at cost.

On the other hand this insurance company's total assets would tumble horribly when subjected to current market valuation particularly after Easter weekend.

If one applied the current valuation principle to all institutional investors forced by Government ratios to hold Government or local body stock, such as insurance companies and banks, the paper losses following the Easter coup would come in hundreds of millions.

These paper losses in hard terms amount to future low yields for these companies in comparison with current yields. The amount of the losses incurred by each particular company depends on the skill of the investment manager in first predicting and then anticipating Government's move by dumping old Government stock on the less knowledgable.

The long-term effect of Government's recent penchant for interest rate juggling, a money market source predicted, could be to weaken investors' confidence in this type of long-term fixed-interest investment.

So far more than 3500 subscribers put more than $300 million into the new issue. To the extent that this was new money coming into Government coffers, and not just money switching from old Government and local body stock into the new issue, the cash loan issue should take money out of the money supply.

It is not yet clear if this will be deflationary. It could well turn out that instead of the desired deflationary effect of less money chasing a constant amount of goods the level of goods available could diminish at a faster rate than the money supply leading to a demand led inflation.

To have a deflationary effect, the stock issue will have to take money out of the consumer's pocket without creating disproportionate shortages in consumer goods by sucking too large a portion of the money supply away from productive enterprise into Government.

But the major effect of the increased interest rates seems to be falling on the industrial front.

Manufacturers are shelving plans for debenture raising for fear of going in too deep, too soon, at too high an interest rate with the economic future so uncertain.

This trend, if it continues, will result in a lower level of production.

Private onlenders are matching Government's new interest rates. If borrowers cannot pass on the increased costs of servicing these high interest loans in increased prices to the consumer, good sound, low risk borrowers will drop out of the market.

This leaves the field to two classes of borrowers — the high risk private borrower, and Government.

Said one money market executive: "Had a finance house raised its interest rates by 30 per cent like Government did, we would all be wondering when they were going to go bankrupt."

Money market sources now predict that Government's new high-yield stock will probably not outlast the Budget time.

Finance Minister Muldoon has been warning investors that the high interest rates won't last. This could be read as Muldoon telling investors to hurry up and get in on the 13 per cent deal while it lasts.

If interest rates do go down — and Government is now calling the tune — these 13 per cent stocks will be worth a premium.

But if Government forces interest rates up again in attract yet more money to finance an even bigger deficit the 13 per cent stock will be discounted in the same way all past stock was discounted at Easter weekend by the 13 per cent stock.

There is little reason to believe that the internal deficit will diminish. On the contrary in the past two weeks at least, two new major Government expenses emerged.

Transport Minister McLachlan raised the possibility that instead of saving the public the promised $10 million, Air New Zealand may have to be subsidised by the taxpayer to compete with free enterprise Continental and Pan Am.

And Maui Developments will let a new contract for a ship and divers to work on the Maui rig worth between $55 and $70 million.

This runaway Government spending will have to be financed — probably internally.

If the present 13 per cent Government coupon rate is not high enough to attract money into Government and away from the productive private sector. Government stock could just as easily move up to 14 per cent as down, as Muldoon claims.

In either case, last year's election bribes will be paid by those who produce the nation's wealth — not by those who redistribute it.

WHEN Government increased the interest rate on its stock to 13 per cent over the Easter weekend, it debased the value of all existing Government stock by hundreds of millions of dollars.

Every holder of Government stock suffered a loss over the weekend. The amount of this loss depended on the coupon rate, maturity date, and term of the stock held.

This point, largely overlooked by financial commentators who were concentrating on the depression of the Stock Exchange and the flurry of activity as private onlanders adjusted their rates to match Government's, was not missed by the cognizenti in the money market.

According to money market sources, the net effect of Government's Easter coup was that many, if not all, of the country's savings banks ended up after the weekend technically insolvent — or they would have been insolvent if they valued their huge holdings of Government stock at current market value rather than, as they do, at cost.

While it is generally accepted that the Savings Banks were probably rendered insolvent, no one is in a panic.

The savings banks are Government guaranteed. Government itself is insolvent to the tune of a $1.5 billion deficit.

But Government can meet its commitments by printing more money — albeit it at a debased value.

Savings banks were particularly hard hit by Government ratios which force them to hold a large amount of Government stock, and due to their unimaginative adjusting of this investment portfolio combined with their high gearing.

Also hard hit are the insurance companies, which, like the savings banks are forced to hold fixed interest Government stock.

As interest rates go up the market value of existing stock goes down.

If, for example, an investor bought $1 million worth of five-year Government stock with a coupon rate of 10 per cent on April 12 he would have lost $105,000 by the end of the Easter weekend.

The face value of the stock remains the same, and one can always wait for the stock to mature and collect the face value.

But to do so is to be locked into an investment yielding less than current interest rates.

To take advantage of these new higher interest rates one must discount presently held stock at less than face value and buy afresh.

The following table, compiled by a senior money market dealer, demonstrates the effect the interest rate increases had on a selection of existing Government stocks.

Face Value	Coupon Rate Percentage	Date Bought	Maturity Date	Present Value
$1 million	5.5	1668	1984	$735,062
$1 million	8	1077	1987	$834,101
$1 million	10	1978	1088	$965,478
$1 million	5.5	1070	1988	$709,060
$1 million	5.5	1972	1090	$701,746
$1 million	6	1873	1001	$772,274.

Draughtsmen delay plan

A NATIONWIDE shortage of draughtsmen is adding to the delays on the Huntly power station project.

The dual gas-coal fired station was due to be commissioned last year and October 1979 was the next target. Now it is unlikely to be working before early 1980.

Electricity Department draughtsmen from regional offices are working long hours in Wellington to keep the project contractors supplied with working drawings.

The NZED admits the lack of drawings has contributed to the power station slipping behind schedule but says engineering and electrical contractors on site are having other problems which are the main cause of the delay.

When thermal power stations — including nuclear — were thought to be needed to keep up with the demand for electricity a few years ago, the NZED went shopping for draughtsmen and technicians overseas. Now consumption forecasts have dropped, the power station building programme has slowed down and many, who occupied key positions, have left the country.

NZ rejects multi-million dollar lamb order

by Warren Berryman

AS THE New Zealand meat industry courted the Iranian mission, a private exporter revealed he had two months earlier opened trading contacts with the new regime in Tehran, and received firm orders for 10,000 tonnes of lamb worth nearly $14 million.

This order was never filled, because members of the Meat Exporters Council refused to supply.

The New Zealand sheepmeat trade to Iran, worth between $35 and $50 million a year broke down following the revolution and establishment of a strict Islamic republic. The new regime now insists that all meat imported be halal-killed in the manner prescribed in the Koran.

Mazhar Krasniqi, a New Zealand Moslem leader and director of the New Zealand Middle East Export Company, said he was the first to negotiate an order for New Zealand meat with Ayatollah Khomeiny and the Iranian State Meat Organisation.

Krasniqi requested supply from the full list of New Zealand meat exporters and was refused. He notified the Meat Exporters Council, the Meat Board and Government. But to no avail.

The prime prerequisite to fill the order was that the meat be halal.

The prime obstacle in Krasniqi's way has been the Meat Exporters Council. The council contacted its members warning them that "exporters have had unsatisfactory trade deals in the past".

While this warning was worded in such a way that it could not be directly tied to his company, Krasniqi feels that readers might be led to believe that his company was not reputable.

NBR investigations reveal that at the very least, Krasniqi's company is small but relatively well connected in the Middle East. Since 1974 Krasniqi has negotiated exports of New Zealand meat, honey, eggs, and dairy products to the Middle East. He has acted as agent for the Honey Marketing Authority and negotiated exports at satisfactory prices.

Krasniqi also assisted in negotiating a multi-million contract between a Middle Eastern Government, a major New Zealand contractor, and one of New Zealand's producer boards.

The major licensed freezing works behind the Meat Exporters Council might feel complacent, reluctant to push too hard for new export markets after a good season in the United Kingdom. Much of the industry is United Kingdom owned and closely wedded to this traditional market.

But industry sources agree, that though the season has been good, they could scrape up at least 10,000 tonnes to fill an Iranian order — provided the terms and conditions were not too tough.

Krasniqi's role to date in meat export deals has been that of middleman — putting buyer and seller together. He has been trying since 1976 to obtain a meat export licence — but to no avail.

Meat Exporters Council sources gave two reasons for rebuffing Krasniqi. Firstly they did not want to prejudice future orders to Iran with a precipitous delivery before the Iranian mission had a chance to clarify the requirements.

Secondly they have been alarmed by the halal killing situation in Australia where they claim Moslem slaughtermen are holding the meat industry to ransom with high charges for certifying the meat as halal.

And it is here that Krasniqi comes into the picture — in high profile.

Krasniqi was recently elected president of the Federation of Islamic Associations of New Zealand; a body representing this country's 4500 Moslems, recognised by the Moslem League, and having ties in 56 Moslem countries.

Krasniqi has been pushing the meat industry for the past four years to introduce halal slaughtering and export to Moslem countries. When interviewed by NBR, Krasniqi produced a file of meat orders from Islamic countries totalling, he said, at least $45 million.

He said he was prepared to lay this file before Parliament or any commission of inquiry to establish that the orders were genuine.

Krasniqi proposes that New Zealand's Moslem community provide the halal slaughtermen and that the federation certify the meat as halal for export.

He said the Australian Federation of Islamic Societies had been doing this sort of certification for some years, charging from 7 to 10 cents a carcase for the certification.

New Zealand meat industry sources claim the Australian Moslems are charging as much as 30 cents a head for certification and putting the money into religious trusts, where the tax man cannot get at it.

Krasniqi, and other New Zealand Moslems met the Iranian mission last Wednesday and were assured that the Federation would have a role to play in halal slaughtering here.

Krasniqi said he gave assurances to the Iranian mission and the Meat Exporters Council that the Islamic Federation was not interested in making money from meat certification. This, he said, would be charged at cost. "We only wish to assist New Zealand and Islamic countries," he said.

The New Zealand Meat Board and Meat Exporters Council seem to believe they have arranged to bypass the New Zealand Islamic Federation by dealing direct with the Iranian State Meat Organisation.

The mission leader, Sharif Mahdavi would not comment on these arrangements beyond saying they would be decided by the Iran Government after receiving his report.

Meat sources said one major stumbling block was that lambs cannot be finally graded until after they have been slaughtered. "Thus," explained one meat company executive, "if I have an order for 10,000 tonnes of halal meat, I will have to initial kill 50,000 tonnes to wind up with 10,000 tonnes of "Y" grade lambs after grading."

Another meat exporter took a more irreverent view: "Halal killing will mean 25 million prayers a year — one for every sheep killed in New Zealand, just to make sure we don't send a wrong one to Iran."

But at least one [illegible] Zealand freezing works [illegible] experience in halal k[illegible]. Borthwicks hired a [illegible] slaughterman and sent [illegible] Singapore for relig[illegible] accreditation. The [illegible] slaughterman killed [illegible] stamped each carcase halal. This meat was exp[illegible] or sold as ships stores [illegible] with Moslem crews.

Costs and difficu[illegible] involved in halal slaughter[illegible] could be minimised, Kra[illegible] suggested, by starting [illegible] only one abattoir to handle [illegible] halal butchery. This could [illegible] accomplished if the [illegible] exporters pooled their exp[illegible] orders and sorted th[illegible] according to country [illegible] destination.

Krasniqi stressed that [illegible] "wants no favouritis[illegible] because he is president of the Islamic Federation. I am [illegible] exporter," he said. His p[illegible] would be well taken by [illegible] businessmen in this [illegible] country where many [illegible] hate.

The estimated [illegible] market potential of [illegible] tonnes a year — or 3 [illegible] "Y" grade lambs, certifi[illegible] local Moslems at say [illegible] head comes to $300,0[illegible] which must be worrying [illegible] meat exporters.

On the other hand [illegible] Middle East is a place [illegible] personal contacts [illegible] everything in trade. [illegible] Krasniqi repeated time [illegible] again that he wanted [illegible] religion kept separate [illegible] export business, [illegible] as his having been [illegible] Zealand delegate [illegible] Moslem League conferen[illegible] Mecca would certainly [illegible] trading doors to him — particularly in this era [illegible] Islamic revival.

The Meat Board has be[illegible] rather inflexible in its attitud[illegible] to Iran's new religious fervour. When Khomeini[illegible] declared frozen meat impor[illegible] haram (forbidden), Meat Board chairman Charle[illegible] Hilgendorf was quoted in [illegible] Auckland Star sayi[illegible] "They'll get awfully hu[illegible] there then".

By contrast, our Austr[illegible] competitors have been [illegible] open to change. They [illegible] some live sheep [illegible] slaughtered on arrival. [illegible] Zealand unions [illegible] probably prevent export [illegible] sheep from this country. [illegible] this move would find [illegible] favour among meat exporte[illegible] as it gives the buyer [illegible] pelts as well as meat and [illegible]

Continued Page 9

Australia earns edge on Iran meat trade

by Warren Berryman

As the Iranian mission prepared to leave Auckland last week it looked like New Zealand would continue to tag on Australian coat tails in the Iranian meat trade.

The Australians have the jump on New Zealand as they had established halal abattoirs in operation before the Iranian's arrival. New Zealand did not.

This means that since Australia has a stock of halal meat available, it will probably start exporting to Iran this year.

After visiting New Zealand, the Iranian mission will report to Tehran, and further negotiations will take place regarding halal standards for local meat works.

There is little chance that New Zealand will export meat to Iran this year.

The new Iranian regime is demanding that meat imports be halal, killed in the manner prescribed in the Koran. This means that the animal must be killed by a devout Moslim; the animal and slaughterman be facing Mecca, and the slaughterman mention the name of Allah as he kills the beast by cutting across its throat.

Following the marketing precept that the customer is always right, the Australians opened the Iranian meat trade by exporting live sheep when the Iranians demanded live sheep. Tagging far behind, New Zealand was able to gain access to this market only when Australia had a sheep shortage during a high demand period in Iran.

Meeting the customer's demand for traditional killing, the Australians established halal abattoirs using Australian Moslems as slaughtermen.

The Iranian mission of two mullahs, two halal slaughtermen and two representatives of the Iranian state meat organisation, Sazman-e-goshi-e-kishvor, visited 16 works in Australia.

Four of these they found to conform to halal standards. A further 10 were found to be acceptable with some modification. The remaining two were unacceptable as the sticking pens were out of alignment with Mecca.

The Iranian mission will probably have to return to Australia to approve those works not approved on their first visit.

According to New Zealand meat industry sources, the Australians are paying a high price for being first in to establish halal abattoirs.

The Australian Moslem organisations doing the halal killing and certification of the meat for export to Iran are holding the Australian meat industry to ransom with high charges for their services, they said.

Also the presence of halal slaughtermen on the chains is causing industrial unrest.

The fact that some meat works were approved and others not, is causing dissension in the Australian meat industry, according to New Zealand meat exporters.

Wishing to avoid the situation developed in the Australian industry, the New Zealand meat industry did not ask the mission to approve any New Zealand works.

The mission visited two works here. Mission leader Ayatollah Sharif Mahdavi said that seeing two freezing works was enough to appreciate prevailing conditions and decide what must be done.

Mahdavi said he will report to Tehran and if the Iranian government decided to buy New Zealand meat it would declare its conditions. And if they were met, an agreement could be reached.

Mahdavi said only minor modifications would have to be made to the works to meet his approval — provided the slaughtering was done by a Moslem.

The Meat Board's Iranian representative, Hassan Sheida, who closely accompanied the mission, said the problems involved in altering the works to meet halal standards were not major.

The main difficulty was aligning the sticking pens so the beast and slaughterman were facing Mecca and this, Sheida said, should not be expensive. In some cases this modification could mean as little as a $20 steel stake in the killing area to hold the sheep's neck in the required alignment.

The board and Meat Exporters Council favour a Government to Government agreement on supervision of halal killing here and certification of the meat for export to Iran.

They do not want the local Moslem community to control the approval of halal slaughterman or the certification of meat as is done in Australia.

Indications last week were that the Iranian Government might send a 10 man team to New Zealand to look after the halal slaughtering. Details will probably be worked out between the New Zealand Meat Board and the Iranian State Meat Organisation.

The number of halal slaughtermen required will depend on how many of this country's 59 meat works went to be in on Iranian export orders.

Sheida said one could assume a killing speed of eight sheep a minute, or 3000 sheep a day. There are about 90 sheep per tonne of meat. So to fill an order of say 10,000 tonnes would require one halal slaughterman, heading one chain, for 30 days.

If every meat works decided to kill for the Iranian market one killing pen in one chain per works would have to be aligned with Mecca and at least one halal slaughterman employed by each works.

Mahdavi had talks with New Zealand Moslems who, he said, had expressed a desire to help.

Mahdavi said Moslems resident in New Zealand could be employed as halal slaughtermen.

The already established Australian system will probably continue meat exporting sources said.

New Zealand meat exporters are hoping for a system of supervision and certification of halal killing that avoids the problems faced in Australia.

As the mission left last week it was undecided whether the new regime in Tehran would do it the Meat Board's way or support the plan put up by Moslems living in New Zealand — halal slaughter and certification by the New Zealand Federation of Islamic Societies.

Continued from Page 8

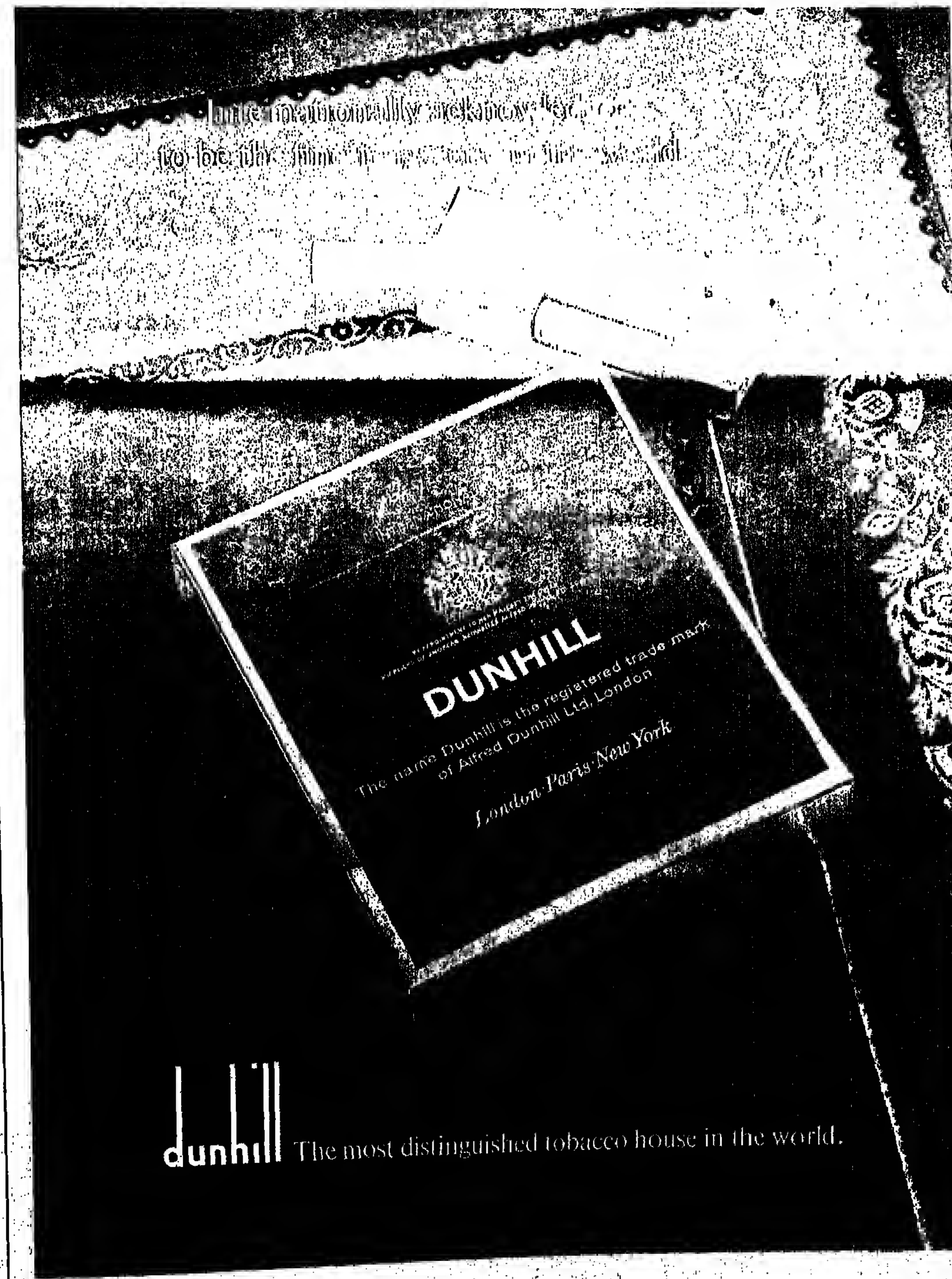
depress the pelt market.

Under the Shah's regime halal killing standards were very easy to conform to. The minimum requirement was that the animal be bled to death. The stun guns used in New Zealand meat works do not stop the sheep's heart and the animal is actually killed by being drained of its blood as prescribed in the Koran. This meat was passed for export as halal.

But the new regime has stricter standards. According to the Koran chapter 6:121, the faithful are forbidden to eat meat that has not been killed in the name of God. In the strictest sense this means the slaughterman should say, as he draws the knife across the animal's throat, "be'eeme Allah, Al Rahmen Ul Rahim; in the name of almighty Allah.

This recitation may be reduced to just mumbling the words or even just thinking of Allah when the killing is done.

Judging from reports filtering back from Australia, the mission's prime concern was not with this matter of form. They were mainly concerned that the halal slaughtermen be suitably devout.



Wage restraint appeals waft past FOL door

Economics Correspondent

GO easy on wage demands, was the message behind two appeals to trade unionists during the week of the FOL conference. But maybe they were too busy electing a new president to notice.

Appeal number two came from Prime Minister Muldoon, who told the Wellington Chamber of Commerce about his desire to meet the FOL after its new executive was elected "to try and get agreement on a more satisfactory method of wage fixing that would be fair to all parties and economically sustainable".

Things had reached a head, said the Prime Minister, because "at a time when the New Zealand economy has stood still, or even declined, average wages both before and after tax have moved substantially ahead of price increases".

"Between March 1976 and March 1979, average before tax wages have moved from an index of 245 to 368 (an increase of over 50 per cent) and after tax wages from 218 to 339 (an increase of nearly 55 per cent). Prices increased over the same period from 194 to 279 (an increase of 43 per cent)," he said.

Muldoon argued that "some of that period was a period of wage restraint. If we take the figures from the time of the lifting of wage restraint in 1977, prices have increased 22 per cent and wages 29 per cent in round figures."

Muldoon's figures are similar to Macbeth's.

Both Muldoon's and Macbeth's indexes use 1969 as the base year, (the year in which the index is set at 100), instead of following the Department of Statistic's convention of setting December 1977 as the base. Both Muldoon and Macbeth's indexes calculate the same rate of change in prices and wages, though the index numbers they publish are slightly different.

Macbeth may be an independent consultant, but his association with the Employers' Federation means that the research findings he was paid to publish may not have been researched in a neutral environment.

One of the contentious points in this year's wage negotiations will be what average weekly wage rate will be calculated from the Labour Department's April half-yearly survey of the State and private sector.

The Labour Department is compiling the results of its survey now, but they probably will take until July to publish.

In the meantime, Macbeth has estimated that the average weekly wage has marched up by 10 per cent since October 1978, from \$140.65 to \$154.72.

This estimate is plausible. Muldoon saw to it that public servants got a wage increase of 8½ per cent from October last year to put them in good spirits for the election. And wage increases in recent award settlements have tended to be around 10 or 11 per cent.

But Macbeth's estimate is not the actual figure. And until the Labour Department publishes the actual figure, even the Prime Minister must speculate on what it might be.

As it could take a while for recent wage increases to filter through the wage structure, it might be 8 per cent or less.

If we use actual figures, the salary and wage earner's position does not look so good.

ROB MULDOON . . . things have reached a head

JIM KNOX . . . election distracts unions.

Between April 1976 and October 1978 (the last half-yearly survey to be published), the average weekly wage increased by 38.8 per cent.

The change in the consumers' price index is not strictly comparable, because it is calculated at different times.

Taking the most closely associated time period, from March 1976 till September 1978, consumer prices increased by 37.0 per cent.

Another contentious issue is what the after-tax position of an average wage earner might be on average.

The Government has introduced several innovative tax measures over the last few years designed to make the family men — that is, the man with young children — better off. But not all earners will benefit equally from these measures.

For example, a single earner on \$140 a week pays \$32.48 in tax; a taxpayer who claims wife and young family rebates on the same income pays only \$20.48.

Obviously the family man's after tax position has improved since 1976. But this is because of measures aimed at improving his position. It would be silly to turn around and deny a wage increase on these grounds.

At this time, there is not enough information to say the wage bill is more than New Zealand can afford. Certainly published information about the average is too out-of-date and presents an incomplete picture.

It may be in the country's long-term economic interest that wage increases be kept to a minimum over the next few years or so. But this has yet to be proven conclusively.

It is almost impossible for either the Government or the employer's to provide credible proof of this case, because as employers they have an interest in the outcome.

No research can ever be entirely neutral, but Macbeth's results must be suspect because it is unlikely the Employers' Federation would pay him to publish results contrary to their own interests.

If they really want to know what is in the long-term interest of the economy, why don't they take steps to assure the economic consultant chosen is also suitable to the FOL?

NBR BUSINESS WEEK

Debt repayment exceeds capital inflow

by Peter V O'Brien

THE usual comments greeted the Reserve Bank statement last week that New Zealand's current account balance improved $83 million in the year ended March, 1879.

Little attention has been given to other features in the bank's summary of overseas exchange transactions, apart from the growing deficit on "invisibles" (non-trade transactions).

The state of the capital account, and the cost of servicing it, are two matters in particular which were significant in the 1978-78 payments and receipts. In the year to March, capital receipts fell from $1,370.2 million to $996.2 million, while capital repayments increased $112 million to $743.4 million. The balance on capital transactions therefore was $253 million in favour of repayments, compared with a net inflow of $738.8 million in the previous year.

The private sector was mainly responsible for the improvement in the capital account. Private sector repayments of overseas capital totalled $381.8 million, while receipts were $330.8 million, producing a net outflow of $51.1 million.

That was the first time since 1873-74 that private outflow exceeded private inflow. On the last occasion the surplus was only $0.5 million.

The reasons for the sudden change over 1877-78 (when receipts were $259.8 million ahead of payments) are clear. Exchange fluctuations have had a major influence on the amounts required to service and repay overseas loans. In addition, the slowdown in the economy, particularly a lack of capital investment, has affected company requirements. Debt is also being repaid overseas and refinanced within New Zealand.

A different picture emerges from examination of the Government's capital account.

The Government received $570.7 million last year, compared with $852.1 million in 1977-78, and repaid $266.7 million (1978 - $430.2 million).

March year	Export Income $'000	Official Interest as per cent of Export Income	Private Interest as per cent of export income
1878	2,209.5	4.60	5.30
1877	3,120.8	5.09	4.63
1878	3,385.1	5.73	5.58
1978	3,848.8	6.32	5.73

"Other official receipts" were $84.9 million ($56.8 million), while "other official payments" also totalled $94.9 million (nil in the previous year).

The official capital accounts balance was therefore $304 million in favour of receipts, as against $478.7 million in 1977-78.

The present total debt situation has affected the relationship between interest payments on overseas borrowing and the proportion of export income required to service it. The table sets out the percentage of export income required to service official debt and private debt, and the total receipts from exports in each of the last four March years.

Payments of private interest are included in the category "Interest and investment income" in the Reserve Bank's statistics, so the figures include dividends as well as interest. Therefore the percentages given in the fourth column are not exact as regards interest alone, although there is likely to be a rough proportion between the two.

After allowance for that point, it can be seen that Government transfers to service its debt are growing faster than the private sector's remittances of interest and dividends when both are expressed as a percentage of our export income.

The rapid increase in payments for travel, which reached $280 million in the March 1979 year, compared with $281.9 million in 1977-78, can also be related to a percentage of export receipts to assess their impact on the deficit.

The relationships were: 1976 - 8.70 per cent; 1977 - 7.83 per cent; 1978 - 8.80 per cent; 1979 10.02 per cent.

The growth rate in public interest payments (required to service the borrowings needed to keep us going) starts from a lower base than travel, but has been faster in relation to export receipts.

The Government is examining invisible payments. Since the invisibles deficit was $1,086.5 million last year compared with $837.2 million in 1977-78 and $633.3 million the previous year, the examination is certainly worthwhile.

The travel component will be looked at carefully, but the increase seems to have several elements, apart from an increase in the number of people going overseas for pleasure.

First, there has been business travel (NBR ...), and those people tend to spend more than tourists. Attempts to sell more overseas should eventually show up in export receipts.

The second factor is the exchange movement against the New Zealand dollar. It costs more New Zealand dollars for an equivalent amount of overseas currency to pay the various bills incurred while travelling.

Third, service costs in other countries rose more rapidly in the last two to three years than they did in New Zealand.

The comment regarding exchange movements also apply to interest costs, of course, but the other travel elements are irrelevant.

Analysis of the invisibles deficit, and "solutions" to the problem of its growth, will be a complex exercise.

For example, the Government may have in mind what happened in the days when there was control over travellers' allowances. We had a thriving black market in currency, and substantial amounts of travel receipts from tourists never went into the banking system.

Analysing annual accounts

by Peter V O'Brien

REORGANISING a company can be as painful as reorganising the economy. Life has to go on while the process is carried out, and problems can become worse while the solutions are found and applied.

Bing Harris & Co Ltd, Wellington based textile, clothing, footwear and warehouse group, faced those facts in the year to December 19, 1978.

The annual report shows that group net profit slumped from $870,000 in 1977 to $209,000 last year. The latter figure included a tax refund of $57,000 as opposed to a liability of $102,000 in the previous year. Profit last year was the lowest since 1960. It reflected difficult economic conditions over the last two years, but also the special problems applicable both to Bing Harris specifically and to the industries in which it is involved.

The company had "unforeseen losses in one division of Bing Harris Sargoods Ltd, and in one subsidiary company which experienced serious management problems". The latter point receives no elaboration, but it suggests that a few people may no longer be with the group.

General economic problems were the main influence on group sales. Total turnover was $34.2 million, compared with $33.5 million in 1977. An increase of 2.2 per cent in a year when the Consumers Price Index went up more than 10 per cent suggests there was a volume decline.

Bing Harris did well to hold the increase in operating expenses at only 5.33 per cent, showing the effects of tight control over costs while the "reorganisation" of trading subsidiaries continued.

The decision to close several warehouses in the Bing Harris Sargoods' subsidiary should allow continuing savings in operating costs.

Managing director Chris Harris, says in his report: "... during the year small branches in New Plymouth, Wanganui, Palmerston North, Gisborne, Napier and Invercargill were closed and sold. This reorganisation will produce material savings in stock holding costs, in stock ownership and in costs of operation".

The company's basic operating profit was less than $100,000, before adding in various other items. Net operating profit after expenses was $88,000 ($935,000 in 1977), to which was added $64,000 in dividends received. That gave $152,000 as "net income for the year before taxation". A tax refund of $57,000 pushed the profit figure up to $209,000, while $37,000 from equity accounting for associate companies produced the final amount of $246,000 before extraordinary items.

Those items contributed $92,000 last year, compared with $38,000 in 1977. "Net Income" was therefore at $338,000, as against $908,000 in the previous year. An interesting effort, considering the starting point was $88,000, while in 1977 it was $935,000.

Massive asset values are a feature of the balance sheet. The company's 50 cents shares have a net asset backing of $2.43, nearly five times the par value. That financial strength is clearly failing to produce the appropriate return, so the company is trying to switch the investment into more lucrative areas.

If net profit would reach $1 million again (recorded once only, in 1974) the return on $13.9 million of shareholders funds would be 7.18 per cent, well below the level usually considered satisfactory for a public company.

The existence of substantial reserves ($11,068,000, compared with capital of $2,857,000) with a large capital element allows the company to pay dividends from sources which make the payments tax free in shareholders' hands. That happy condition will apply for several years.

The remaining balance sheet items were little changed over the previous year. Modest changes in

CHRIS HARRIS . . . reorganisation produces savings.

current assets and current liabilities are explained in the report of either the chairman or the managing director. Those reports, and the overall financial disclosure, make the Bing Harris annual report one of the better efforts from a listed company.

The company's financial structure is such that it needs to change direction unless shareholder loyalty is unusually strong.

A company with a net asset backing of $2.43, and a share price of 68 cents last week, would be an attractive takeover proposition. After discounting asset values for realisation, or for more "reorganisation" purposes, there would still be a handsome gain on the investment.

It appears that the company is aware of the marked difference between entries in the profit and loss account and those in the balance sheet. Attempts are being made to swing away from traditional business to areas which offer promise for the future.

The joint venture fishing deal with the Korean company, Samhwa Co. is an example of the trend to diversification. Inevitably there are start-up problems in such ventures, some of them related to the antics of bureaucrats who make extraordinary demands on industries associated with "primary industry" (taking fish as being "primary"). When the fishing venture settles down it should prove reasonably profitable, provided the creatures can be caught — always a problem when one goes fishing.

Exchange rates

As at 10 May 1979 $1NZ is worth:

Australia	.9443
Britain	.5072
Canada	1.2133
Fiji	.8687
Japan	220.78
West Germany	1.9687
USA	1.0437
Austria	14.50
Belgium	31.48
China	1.6486
Denmark	5.5363
France	4.5411
Greece	38.22
Hong Kong	5.2440
India	8.5721
Italy	878.28
Malaysia	2.3091
Netherlands	2.1398
New Caledonia & Tahiti	82.68
Norway	5.3868
Pakistan	10.28
Papua-New Guinea	on application
Portugal	51.20
Singapore	2.2885
South Africa	.8788
Spain	68.78
Sri Lanka	on application
Sweden	4.5655
Switzerland	1.7791
Western Samoa	.7524

Rising costs offset buoyant agriculture prices

by Peter V O'Brien

RAPIDLY rising costs are offsetting recent buoyent prices for agricultural products. The Department of Statistics' General Price Index shows that the costs of agriculture ("inputs") rose 26.2 per cent between December 1977, and March 1979, while "outputs" moved up 30.3 per cent. The difference between the two is the real gain in value of agricultural production.

While the farm sector had its returns substantially cut in real terms, it was better off than many other industry groups surveyed in the department's index. The fishing and hunting group saw inputs go up 12.1 per cent in the 15 month period, while outputs moved a minimal 1.8 per cent. Either someone is absorbing the difference or many enterprises will face financial problems as rising costs eat into returns in the absence of price increases.

The General Price Index has several uses for people engaged in assessing the economy and industry. First, it gives some indication of likely future movements in retail prices, because the overall movement in inputs for all industry (16.2 per cent since December, 1977, and 13 per cent in the March, 1979 year) will eventually show up in prices charged for goods and services. At some stage outputs have to be brought into line with the rise in input costs, or industry makes losses. The individual groups which are losing out when inputs and outputs are compared will raise their prices, and that flows through to the Consumer Price Index.

The index is also valuable for spotting areas where price changes are likely in future, as the gap grows between rising inputs and unchanged outputs. The communications group is an example. The group's inputs increased 12.2 per cent in 15 months and 7.4 per cent in a year, while outputs remain at their base of 1000 calculated in December, 1977. The difference between inputs and outputs at the base date (although both are given an index figure of 1000) has probably been sufficient to absorb a reasonable proportion of the cost rise, but that cannot go on indefinitely, unless the group is subsidised. Since most "communications" in New Zealand are under Government control, that means central revenue would carry the burden of matching inputs and outputs — the Government, unfortunate as it may seem, never goes broke. At some time that 12.2 per cent movement in 15 months has to be covered, and that means increased costs for communications, which in turn means price increases for the services. The Government's own costs, calculated in the group "central government" have "suffered", or "enjoyed", depending on who either pays or benefits, a rise of 13.4 per cent in the period since December, 1977.

Individuals looking after dwellings receive confirmation from the index of facts which they experience every day. Inputs for the ownership of dwellings group went up 18.8 per cent in 15 months and 15.2 per cent in a year.

But agriculture's outputs were ahead of inputs, while the 21.2 per cent change for food, beverages and tobacco outputs was somewhere near the input level. Outputs for ownership of dwellings were 1059 at March 31, 1979, compared with 1000 in December, 1977 and 1017 in March last year. Therefore the costs are rapidly outstripping the benefits.

The index is depressing when considered in terms of individual groups, since it shows, in real terms that the economy is, and will continue, to suffer from high inflation in the foreseeable future. The statistical evidence is more compelling than the hopes of politicians, and profitability figures from particular companies and other enterprises.

When the index is related to the country's real gross national product the outlook is a further period of static or negative growth. Bank of New Zealand economist Len Bayliss returned to this theme again last week in his latest critique of the economy and economic management. While various lobbies in the community will probably disagree with many of Bayliss' solutions to the problems, only the blind, or the Neros on Parliament Hill, could ignore the factual evidence that the problems exist, and that little constructive action is being taken to solve them.

The lack of action is reflected in results of the Institute of Economic Research' survey of Business Opinion, also published last week. Businessmen are less confident now than they were three months ago. That is hardly surprising, given the election lolly scramble which occupied all politicans for most of last year, and found concrete expression in economic "stimulation".

Tomorrow's march on Parliament is designed to highlight the economic plight of the "worker". It might be extended to emphasise the plight of the whole economy and accept the point that the problems of the narrowly defined "worker" are common to everyone, and to the industries in which those workers are occupied.

"Tax free" dividend policy lends some strength to equity market

by Peter V O'Brien

THE sharemarket is recovering from the shock of the Government's new interest rate structure. It remains to be seen whether the pattern will continue. Investors and their advisers are awaiting the Budget, and after the Prime Minister's economic speech on May 2 they may well be cautious about that document.

Muldoon's statement that interest rates are likely to decline later in the year probably had some impact on sharemarket confidence, although he has said that before and interest rates have risen often under the impetus of Government action.

There are two other elements which may affect share prices, one favourable and the other unfavourable. Dealing with the latter first, Muldoon's comment that policy had to be handled in a rapidly changing environment suggests that the Government is unlikely to unfold a long, or even medium-term strategy for the country. While that raises the question of why we have all these "planners" (see NBR editorial, May 9), it is also likely to do little for the confidence of people looking for medium-term equity investment.

A lack of strategy leads to uncertainty which is the worst enemy of a market. A strategy, on the other hand (however flexible, and subject to regular updating) may well assist in overcoming some of the problems which arise in dealing with matters on a day to day or hour to hour basis. The present "policy" is circular, in that the changing climate is reinforced by a lack of knowledge on official thinking and strategy. That in turn pushes official action into ever shorter periods and so on.

Apart from a growing view that interest rates should gradually decline later in the year, the sharemarket could be reassessing the overall effect of pushing large sums into the Government's loan. While there will be the obvious result of reducing the monetary base and private sector credit expansion, leading (we all hope) to "stability", the funds invested will produce a lower return for non-institutional subscribers than many equity investments.

Recent brokers' letters have made the valid point that the return on the Government loan will be taxable in the hands of the recipients. That is the case with all interest receipts, after the general allowance has been used up. But many companies are paying dividends from capital reserves, which makes the payments tax free in the hands of individual shareholders.

(The term "tax free" dividend is a misnomer for some of those payouts, particularly the distribution from the share premium account. The share premium account arises from the premium paid on cash issues, and therefore is the shareholders' contribution — it differs from a reserve which comes from capital profits on sale of assets. The latter is, in the true sense, "tax free". Share premiums have nothing to do with tax, and it is fallacious to make distinctions between "tax" and "tax free" in relation to payments from that reserve).

INVESTOR INSIGHT

An example of the tax effect shows the benefits, for someone seeking an income return, from investing in equities rather than an interest bearing security.

The Government is paying 13 per cent for five years. Assuming a marginal tax rate of 60 per cent (to take account of all you top bracket earners) and on investment policy which has already taken the interest rate concession to its maximum, the investment of $1000 in Government stock produces a net return of $52 after tax.

The same investment in $1000 of equities with a dividend yield of 8 per cent will give the shareholder a net return of $80 if the company's distribution is tax free in his hands.

That means a share of $1 par value, paying a dividend of 10 per cent, can be bought up to a price of $1.25, provided the company is paying from tax free, or share premium, reserves.

Another example shows the return if the company is paying part of its dividend from reserves and part from revenue. If the payout is 15 per cent, and 10 per cent is tax free, a net return of $80 from an investment of $1000 with a marginal tax rate of 60 per cent requires a gross payment of $119.98.

(Two thirds of the $80 is tax free, and equals $53.33; one third is taxable at 60 per cent, and $66.65 taxed at 60 per cent gives a tax paid figure of $26.66. The $53.33 plus $26.66 produces $80, while $66.65 plus $53.33 equals $119.98).

When related to an investment of $1000, $119.98 is 11.99 per cent. But tables of dividend yields do not distinguish between taxable and tax free payments, so in the case quoted we are still talking about a dividend yield of 8 per cent ($80 on $1000), and provided the proportions of taxable and tax free payments are in the 5 and 10 per cent category, the share can still be bought for a published dividend yield of 8 per cent, to give a 50 per cent better return than a 13 per cent payment on fixed interest.

The risk factor, of course varies significantly as between Government securities and equities. The latter can involve a capital loss if the market turns down, while the loan will produce a capital loss on realisation before maturity and then only if the Government raises its interest rate again in the same maturity period. If the Government cuts its rate the investor will obtain a capital gain if realising the stock before maturity.

Some investors may require a margin on equity return to account for risk, in which case the calculations made earlier would be recast to add in any risk premium, higher than the difference between $80 and $52.

But the exercise shows that people buying equities should always examine the company's policy on dividend payments, and note from the accounts the ability to make payments from these reserves. The mix between taxable dividends and payments which are tax free will vary, but an appropriate calculation to show the net return in relation to that from fixed interest securities is a simple exercise. It can be rewarding under present tax rates.

NBR SHAREMARKET SURVEY

WEEK ENDING MAY 10, 1979

1979 High	1979 Low		Last Sale	Week's High	Week's Low	Dividend %	Reported Turnover	Dividend Yield	P.E. Ratio
108	100	AIRWORK,50C	105	...	...	15.0	0	1.1	4.2
207	190	AJAX E.K.M.	208	208	205	15.0	1600	6.5	4.1
105	90	A.J.WHITE	101	105	105	11.5	300	11.0	4.6
110	110	ALCAN,50C	115	112	110	20.0	41000	8.9	5.8
231	215	A.H.I.	158	260	257	14.0	6200	5.5	5.4
76	70	ALLIANCE,50C	73	73	70	14.0	45600	9.6	5.6
210	530	ALLIED FARMERS	240	240	230	14.0	100	5.8	5.5
130	124	ALLIED PRESS	124	154	154	11.0	400	.0	5.4
220	220	ALLOY STEEL	220	...	...	15.0	0	5.5	6.1
110	111	AMALE.BATES	160	...	...	15.0	0	9.4	5.4
211	115	A.M.BATSLEY, 50C	190	190	190	25.0	500	6.6	5.2
96	55	AMPOL PET.,50C	95	...	...	11.0	0	6.5	13.5
115	125	A.PEAVEN	155	135	151	12.0	19600	8.9	5.7
111	115	A SPARINGHALL,	115	115	115	14.0	1100	12.2	3.1
210	560	A.WRIGHT	260	...	...	17.0	0	6.5	5.5
230	590	A.BARNETT	256	250	250	14.0	400	9.1	3.6
150	125	A.ELLIS	133	135	135	12.0	400	8.9	4.1
130	117	ARTHUR YATES	505	305	295	17.0	2600	5.6	5.5
115	300	ASHBY BERGH	300	...	...	22.5	0	1.5	1.1
160	105	A.S.PATERSON	250	...	...	17.0	0	6.6	6.5
105	515	A.B.CABLES	205	...	...	11.5	0	8.0	5.5
60	49	ATLAS, 50C	57	57	56	5.2	15800	4.6	5.1
150	510	AUCK.GAS	250	...	...	15.5	0	5.6	8.0
225	190	AURORA,50C	190	...	...	21.0	0	5.5	10.2
		A.C.I.	152	...	...	9.0	0	4.5	7.0
50	40	ADVOCATES HOLDS	28	28	25	5.7	1600	9.9	4.8
58	50	BAILLIE,50C	57	57	56	11.0	2900	9.6	6.4
17	14	BALLINS,25C	81	82	80	12.5	34400	7.7	5.4
441	400	BANK. N.S.W.,12	445	445	420	16.0	2150	7.2	6.4
17	55	BEACH PESR.,50C	53	...	...	...	0	...	...
72	45	BING HARRIS, 50C	68	68	67	17.5	22500	12.9	4.5
171	165	B.N.Z. FINANCE	180	180	180	12.5	37500	6.9	8.9
54	42	BRAMBLES EUFALTS,50C	44	47	44	15.0	1600	15.6	3.1
51	50	BRIDEIVALL,50C	54	57	52	6.0	500	5.8	5.7
150	701	BRITELLY, 50C	725	515	252	24.0	5700	1.1	5.4
11	65	B&S, 50C	77	75	75	16.0	1100	11.1	6.7
		BRIT.PAVEMENTS	200	...	...	7.0	0	5.3	6.0
48	58	BROADLANDS,50C	61	65	60	14.0	33300	11.5	6.4
1970	1128	B.H.P.,$2	11.00	1.00	1100	16.2	3040	2.1	31.0
15	95	BROTHER, 50C	95	...	...	20.0	0	10.5	4.1
61	60	BURNTIKA,50C	61	61	61	11.0	5800	9.0	8.5
152	154	BURNS CAT.,50C	117	152	152	22.5	900	7.4	5.8
141	126	E.P.D.	141	144	141	14.0	18900	9.6	5.9
111	100	E.F.C.A.	186	120	116	15.0	800	8.1	5.9
120	130	E.T.P.	170	170	170	16.0	6600	9.2	6.0
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

1979 High	1979 Low		Last Sale	Week's High	Week's Low	Dividend %	Reported Turnover	Dividend Yield	P.E. Ratio
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

NBR / NZUC SHARE PRICE GRAPH (Base 1957 = 100)